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RM/R

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March 13, 1956

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Dear Mr. Ambassador:

Upon your return to Tripoli you are instructed to inform the appropriate authorities of the Libyan Government that the United States Government has considered the Prime Minister's letter of February 17, 1956, setting forth Libya's estimate of its economic development requirements:

1. That within the general framework of this estimate the United States Government is prepared to grant before July 1, 1956 economic aid to Libya in the amount of $5,000,000;

2. That the United States Government is prepared to ship to Libya before July 1, 1956, 5000 tons of relief wheat in addition to the 7200 tons now in the process of being shipped, thereby raising to 25,000 tons the amount of relief wheat furnished in the United States fiscal year 1956;

3. That the United States Government is prepared, subject to legislative action by the Congress, to make available $7,000,000 in economic aid to Libya between July 1, 1956 and June 30, 1957;

4. That the United States Government is prepared to consider in accordance with law the provision of up to 25,000 tons of relief wheat to Libya between July 1, 1956 and June 30, 1957;

5. That these actions are being considered by the United States Government in implementation of its commitment of 1954 to give sympathetic consideration to the economic needs of Libya in the light of the traditional friendship between the two Governments and in the light of the progress already made;

6. That

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The Honorable
John L. Tappin,
American Ambassador,
Department of State,
Washington 25, D. C.

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY J.M. Razi DATE May 6, 1982
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6. That the United States Government will continue in the future to determine under its commitment of 1954 the extent to which it can contribute to the economic development of Libya after Fiscal Year 1957 and that the actions of the Libyan Government as well as the progress achieved in economic development will continue strongly to influence the decision of the United States Government;

7. That the United States Government is prepared between July 1, 1956 and June 30, 1957 to provide equipment, subject to legislative action by the Congress, to assist the Libyan Government to expand the Libyan Army to the extent of 1000 men as may be considered necessary after a United States military survey team has evaluated the requirements; and that the United States Government is sympathetic with Libya's needs in relation to internal security and will hope to continue to cooperate in this field;

8. That the United States Government is in the process of determining whether it will construct a new road from Wheelus Air Force Base to Tripoli; and

9. That the United States Government will assist the Libyan Government in endeavoring to ascertain means of financing the expansion of the Tripoli power plant through loans.

You are requested also to inform the appropriate authorities of the Libyan Government, as a matter of instruction from your Government:

1. That the United States Government does not underestimate the mutual importance of the firm friendship and understanding now existing between the two Governments but needs reassurances concerning the present attitude of the Libyan Government in this regard;

2. That the true purpose of American aid to Libya is and has been to advance the day when Libya can stand on its own feet economically;

3. That the United States does not believe that the Government of Libya would endanger this type of friendship and continuing cooperation for the untried and unknown;

4. That decisions regarding American aid to Libya have been rendered more difficult by the Libyan Government's relating the question of additional aid to the matter of Soviet offers;

5. That

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5. That the Libyan Government should understand that the position of the United States Government in this regard cannot be influenced by such considerations. The decisions of the United States Government have, however, been based on the assumption that the Libyan Government would not be willing to jeopardize its independence and collaboration with the free world by accepting such Soviet offers, which obviously have not been made to enhance the independence and integrity of the Libyan State;

6. That the United States Government, before concluding agreements concerning the foregoing, will wish to know what measures the Libyan Government plans to adopt with a view to curbing the size and activities of the Soviet diplomatic mission in Libya. For example, the United States Government will wish to know what policy the Libyan Government will follow in respect to a) offers of technical, economic and military assistance; and b) requests for permission to establish cultural centers or information offices, for permission to operate radio transmitters, and for petroleum concessions in Libya with the concomitant right to establish airstrips and operate aircraft; and

7. That the United States Government considers it necessary under paragraph 2 of Article III of the Base Rights Agreement that the Libyan Government establish a reserved air space surrounding Wheelus Air Force Base to insure the security of United States forces and property in Libya.

In the course of your discussions with the Libyan Government, you will wish to make it clear that the United States Government should not be considered as having assumed a responsibility to finance the Six-Year Plan in whole or in any assured part; that the United States Government will require further detailed information about the Six-Year Plan to determine how American aid for the Fiscal Years 1956 and 1957 can be effectively used; that in subsequent years achievements and needs under the Six-Year Plan will be taken into account along with other factors in assessing Libyan requirements; that the United States Government assumes that the Libyan Government will apply to its economic development, along with other friendly outside assistance, the grants-in-aid forthcoming under the French and Italian treaties; and that in relation to military aid it will be necessary to conclude an agreement pursuant to Section 142 of the Mutual Security Act, as amended.

Sincerely yours,

S/S-CR
RAF
MAR 13 1956 P.M.
after sig.

Robert Murphy
Deputy Under Secretary

See attached memorandum from ICA dated 3/12/56 to Mr. Hallock - L.O.C.

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NEA Hoffman

U/MSA Frost

E Ross LOC.

ICA Mr. Hallock

DEFENSE McGuire WR

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